Fertilizers sector is Rs. 1920 per Metric Standard Cubic Metre (MSCM). The basic price of gas for small scale consumers, *i.e.*, those consuming below 50,000 Standard Cubic Metres per day, and court mandated consumers in the North-East is Rs. 2304/ MSCM. At an exchange rate of Rs. 40.42 = 1 US $, these rates would be US $ 1.2/ MMBTU and US $ 1.44/MMBTU respectively. The basic price of gas for Fertilizers and Power sectors for the rest of the country is Rs. 3200/MSCM, which is equivalent to US $ 2.00/MMBTU at the mentioned exchange rate. The mentioned gas price is for Net Calorific Value (NCV) of 10,000 K. cal/SCM.

(b) The APM gas consumed in the North-East in the last three years is as follows:

(in MMSCMD)

2004-05	2005-06	2006-07
5.522	6.001	6.343

The APM gas consumed in the Fertilizers and Power sectors in the last three years is as follows:

(in MMSCMD)

2004-05	2005-06	2006-07
45.09	41.68	41.13

(c) The annual consumption of natural gas in the country during the last three years is as follows:

(in MMSCMD)

2004-05	2005-06	2006-07
84.3	85.0	96.7

Price fixation of gas

†387. SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that fixation of selling price of gas has become a matter of dispute in the country;

(b) if so, the facts thereof and the views of the gas sellers and the gas buyers on price fixation of gas; and

(c) whether it is also a fact that in the absence of well considered basis for selling price of gas, the sellers and also the buyers are feeling cheated themselves if not, the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) The average gas supply in the country

†Original notice of the question was received in Hindi.

during, 2006-07 was 96.71 MMSCMD. Out of this, around 53 MMSCMD is APM gas. APM gas outside the North East is sold at Rs. 3200/MSCM for power and fertilizers sector consumers, and at Rs. 3840/MSCM for small scale consumers, *i.e.*, those consuming below 50,000 standard cubic metres per day, and court-mandated customers. APM gas for customers in the North East is sold at Rs. 1920/MSCM for power and fertilizers sector consumers and at Rs. 2304/MSCM for small scale consumers and court-mandated customers. Producers of gas, *viz.*, ONGC and OIL, have been demanding higher price for APM gas, considering various factors like cost of production, prices of alternate fuels, prices of natural gas from alternative sources, such as JV gas, LNG, etc.

Gas produced by pre-NELP JVs is sold under the provisions of the concerned Production Sharing Contracts (PSCs); this includes gas from Panna-Mukta and Tapti (PMT) Joint Venture (JV), Ravva JV and Ravva Satellite. The producers of Ravva Satellite demanded a higher price in 2006, as provided for under the Gas Sales Agreement (GSA). The consumers of gas, especially IPPs in Andhra Pradesh, demanded that the price should not be increased beyond the then prevailing price of US$ 3.3/MMBTU. Finally, GAIL negotiated a price of US$ 4.40/MMBTU (including GAIL's marketing margin).

Price of Liquefied Natural Gas (LNG) imported under term contracts is governed by the Sale Purchase Agreement (SPA) between the LNG seller and the buyer. In order to make the price of RLNG affordable, the Government decided to pool the prices of LNG procured under different terms contracts at different prices, to supply RLNG on a non-discriminatory basis to all existing and new consumers. Some of the existing consumers, who have been getting RLNG at lower rates, have contested this decision in the Courts.

Regarding price of gas from fields under the New Exploration Licensing Policy (NELP), the producers of gas are demanding a market determined price under the provisions of PSC, while the consumers have requested gas to be made available at lesser rates. The Government is considering the constitution of an Empowered Group of Ministers (EGoM) to deliberate on the issue.

Petroleum and Natural Gas Regulatory Board

†388. DR. MURLI MANOHAR JOSHI
SHRI RAM JETHMALANI

Will the Minister of PETROLEUM AND NATURAL GAS be please to state:

(a) whether it is a fact that it had been decided to establish Petroleum and Natural Gas Regulatory Board in March, 2006 in the country;

(b) if not, when this decision was taken; and

(c) the reasons for not implementing the above decision till now?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir. The Petroleum and Natural Gas

†Original notice of the question was received in Hindi.